

# The Gazette of India

## EXTRAORDINARY PART II—Section 1 PUBLISHED BY AUTHORITY

No. 13] NEW DELHI, MONDAY, APRIL 29, 1963/VAISAKHA 9, 1885 (Saka)

### MINISTRY OF LAW (Legislative Department)

*New Delhi, the 29th April, 1963/Vaisakha 9, 1885 (Saka)*

The following Act of Parliament received the assent of the President on the 28th April, 1963 and is hereby published for general information:—

### THE FINANCE ACT, 1963

No. 13 OF 1963

[28th April, 1963]

An Act to give effect to the financial proposals of the Central Government for the financial year 1963-64.

Be it enacted by Parliament in the Fourteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Finance Act, 1963.

Short title  
and com-  
mence-  
ment.

(2) Save as otherwise provided in this Act, sections 3, 6, 7, 9, 11, 12, 13 and 21 shall be deemed to have come into force on the 1st day of April, 1963.

2. (1) Subject to the provisions of sub-sections (2), (3), (4) and (5), for the assessment year commencing on the 1st day of April, 1963,—

Income-tax  
and super-  
tax.

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule and,—

(i) in the cases to which Paragraphs A, B, C and E of that Part apply, shall be increased by a surcharge for purposes of the Union and, except in the cases to which the said Paragraph E applies, a special surcharge, calculated in either case in the manner provided therein; and

(ii) in the cases to which Paragraphs A and C of the aforesaid Part apply, shall further be increased by an additional surcharge for purposes of the Union (hereinafter referred to as additional surcharge) calculated in the manner provided in the said Schedule;

(b) super-tax shall, for the purposes of section 95 of the

Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein. 43 of 1961.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1963,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries", the income-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance (No. 2) Act, 1962, on his total income the same proportion as the amount of such inclusion bears to his total income; 20 of 1962.

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (1) of section 192 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance (No. 2) Act, 1962, on his total income the same proportion as the amount of such inclusion bears to his total income. 20 of 1962.

(3) In making any assessment for the assessment year commencing on the 1st day of April, 1963, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, includes any profits and gains from life insurance business, the super-tax payable by it shall be the aggregate of the tax calculated— 21 of 1956.

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with Paragraph E of Part II of the First Schedule; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(4) (a) In cases to which Chapter XII of the Income-tax Act applies, the tax chargeable shall be determined as provided in that Chapter, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter, as the case may be.

(b) In computing under section 209 of the Income-tax Act, the advance tax payable by an assessee, the additional surcharge shall be included.

(c) The amount of income-tax to be deducted at source under sub-section (1) of section 192 of the Income-tax Act from income chargeable under the head "Salaries" shall include an additional surcharge equal in amount to the additional surcharge which would have been leviable if the estimated income under that head had been the total income.

(5) In respect of any assessment for the assessment year commencing on the 1st day of April, 1963—

(i) an assessee being an Indian company or any other company which has made the prescribed arrangements for the declaration and payment of dividends within India or an assessee (other than a company) whose total income includes any profits and gains derived from the export of any goods or merchandise out of India, shall be entitled to a deduction, from the amount of income-tax and super-tax with which he is chargeable of an amount equal to the income-tax and super-tax calculated respectively at one-tenth of the average rate of income-tax and of the average rate of super-tax on the amount of such profits and gains included in the total income;

(ii) where an assessee of the type referred to in clause (i) is engaged in the manufacture of any articles in an industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 exports after the 28th day of February, 1963, such articles out of India, he shall be entitled, in addition to the deduction of tax referred to in clause (i), to a further deduction from the amount of tax with which he is chargeable for the assessment year of an amount equal to the income-tax and super-tax calculated respectively at the average rate of such taxes on an amount equal to two per cent. of the sale proceeds in respect of such export;

(iii) where an assessee of the type referred to in clause (i) engaged in the manufacture of any articles in an industry specified in the said First Schedule sells after the 28th day of February, 1963, such articles to any other person in India who himself exports them out of India and evidence is produced before the Income-tax Officer of such articles having been so exported, the assessee shall be entitled to a deduction from the amount of income-tax and super-tax with which he is chargeable for the assessment year of an amount equal to the income-tax and super-tax calculated respectively at the average rate of such taxes on a sum equal to two per cent. of the sale proceeds receivable by him in respect of such articles from the exporter;

(iv) the total of the deductions under this sub-section shall in no case exceed the amount of income-tax and super-tax other-

(v) nothing contained in clauses (ii) and (iii) shall apply in relation to fuels, textiles (including those dyed, printed or otherwise processed), sugar, vegetable oils and vanaspathi, cement and gypsum products and cigarettes respectively specified in items 2, 23, 25, 28, 35 and 38 of the First Schedule to the Industries (Development and Regulation) Act, 1951 and in relation to such other articles in any other industry specified in that Schedule which may be notified in the Official Gazette by the Central Government having regard to the progress achieved by the industry or any other relevant factors;

65 of 1951.

(vi) the amount of any profits and gains derived from the export of any goods or merchandise out of India in respect of which deduction of income-tax and super-tax is admissible under clause (i) shall be computed in accordance with the rules made by the Central Board of Revenue in this behalf.

(6) In cases in which tax has to be deducted under sub-section (2) of section 192 and sections 193 to 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part III of the First Schedule.

(7) For the purposes of this section, and of the rates of tax imposed thereby, and of section 3—

(i) the expressions "assessment year", "average rate of income-tax", "average rate of super-tax", "partner", "tax" and "total income" have the meanings respectively assigned to them under clauses (9), (10), (11), (23), (43) and (45) of section 2 of the Income-tax Act;

(ii) the expression "earned income" has the same meaning as in section 2 of the Finance (No. 2) Act, 1962.

20 of 1962.

(8) For the purposes of Paragraphs A and C of Part I of the First Schedule, the expression "residual income" means the amount of the total income as reduced by—

(a) the amount of the capital gains, if any, included therein; and

(b) the amount of tax (exclusive of additional surcharge) which would have been chargeable on such reduced total income if it had been the total income no part of which had been exempt from tax and on no portion of which deduction of tax had been admissible under any provisions of the Income-tax Act or this Act.

3. Notwithstanding anything contained in the provisions of Chapter VII or Chapter VIII-A or section 110 of the Income-tax Act or sub-section (5) of section 2 of this Act, in calculating any relief, rebate or deduction in respect of income-tax payable on the total income of an assessee which includes any income on which no income-tax is payable or in respect of which a deduction of income-tax is admissible under any of the aforesaid provisions, no account shall be taken of the additional surcharge.

Additional surcharge not to be taken into account for purposes of deduction, etc.

4. In section 2 of the Income-tax Act, for clause (44), the following clause shall be, and shall be deemed always to have been, substituted, namely:—

Amendment of section 2.

“(44) ‘Tax Recovery Officer’ means—

- (i) a Collector or an additional Collector;
- (ii) any such officer empowered to effect recovery of arrears of land revenue or other public demand under any law relating to land revenue or other public demand for the time being in force in the State as may be authorised by the State Government, by general or special notification in the Official Gazette, to exercise the powers of a Tax Recovery Officer;
- (iii) any Gazetted Officer of the Central or a State Government who may be authorised by the Central Government, by general or special notification in the Official Gazette, to exercise the powers of a Tax Recovery Officer;”.

5. In section 13 of the Income-tax Act, in clause (b), for the words “trust or charitable institution”, the words “trust for charitable purposes or a charitable institution” shall be, and shall be deemed always to have been, substituted.

Amendment of section 13.

6. In section 40 of the Income-tax Act, in clause (c),—

(1) before the *Explanation*, the following sub-clause shall be inserted, namely:—

Amendment of section 40.

“(iii) any expenditure which results directly or indirectly in the provision of any remuneration or benefit or amenity to an employee who is a citizen of India, to the extent such expenditure exceeds the amount calculated at the rate of five thousand rupees per month for any period of his employment after the 28th day of February, 1963:

Provided that in computing the aforesaid expenditure, any payments by way of gratuity or any sums comprised in the transferred balance of an employee participating in a recognised provident fund referred to in clause (vii) of sub-section (1) of section 17, or the amount of any compensation referred to in clause (i) or any payment referred to in clause (ii) of sub-section (3) of that section shall not be taken into account.”.

(2) In the *Explanation* after the words, brackets and figure "referred to in sub-clause (i)", the words, brackets and figures "or in sub-clause (iii)" shall be inserted.

Amend-  
ment of  
section 58.

7. In section 58 of the Income-tax Act, in clause (b), after the words, brackets and figure "referred to in sub-clause (i)", the words, brackets and figures "or in sub-clause (iii)" shall be inserted.

Amend-  
ment of  
section 139.

8. In section 139 of the Income-tax Act,—

(1) in sub-section (1), in clause (iii) (b) of the proviso, the words "as finally assessed" shall be, and shall be deemed always to have been, omitted;

(2) after sub-section (1), the following sub-section shall be, and shall be deemed always to have been, inserted, namely:—

"(1A) Where as a result of an order under section 154 or section 155 or section 250 or section 254 or section 260 or section 262 or section 264, the amount of tax on which interest was payable under clause (iii) of the proviso to sub-section (1) has been reduced, the interest shall be reduced accordingly, and the excess interest paid, if any, shall be refunded.";

(3) after sub-section (7), the following sub-section shall be inserted, namely:—

"(8) Notwithstanding anything contained in clause (iii) of the proviso to sub-section (1), the Income-tax Officer may, in such cases and under such circumstances as may be prescribed, reduce or waive the interest payable by any person under any provision of this section."

Insertion  
of new sec-  
tion 141A.

9. After section 141 of the Income-tax Act, the following section shall be inserted, namely:—

Relief to  
be given  
to, and  
interest to  
be recover-  
ed from,  
assessee  
in certain  
cases.

"141A. (1) If any assessee having furnished a return under section 139 before the 1st day of January of the assessment year, pays before that date the tax determined as payable by him in pursuance of a provisional assessment made under section 141 or a regular assessment made under section 143 or section 144, or where neither of such assessments has been made before that date, the tax payable by him on the basis of such return after taking into consideration the tax paid for the assessment year under the provisions of Chapter XVII-B or Chapter XVII-C, he shall be entitled to a deduction from the amount of income-tax and super-tax with which he is chargeable of an amount equal to one per cent. of the amount of tax so paid by him before the said date.

(2) If any assessee does not furnish a return under section 139 before the 1st day of January of the assessment year and no

regular assessment under section 144 is made before the said date, he shall, in addition to the amount of income-tax and super-tax with which he is chargeable, be liable to pay an amount calculated at two per cent. per annum from the said 1st day of January to—

(i) in the case where no return is furnished, the date on which a regular assessment is made under section 144;

(ii) in the case where a return is filed after the said 1st day of January, the date on which a provisional assessment under section 141 or a regular assessment under section 143 or section 144, whichever is earlier, is made;

the calculation in the case referred to in clause (i) being made with reference to the tax payable on regular assessment under section 144 and in the case referred to in clause (ii) being made with reference to the tax payable on the basis of the return, and in either case after taking into consideration the tax already paid under the provisions of Chapter XVII-B or Chapter XVII-C.

(3) If any assessee having furnished a return under section 139 before the 1st day of January of the assessment year does not pay before that date the tax payable on the basis of such return after taking into consideration the tax already paid for the assessment year under the provisions of Chapter XVII-B or Chapter XVII-C and no provisional assessment under section 141 or regular assessment under section 143 or section 144 is made before the said date, he shall, in addition to the amount of income-tax and super-tax with which he is chargeable, be liable to pay an amount calculated at two per cent. per annum from the said 1st day of January to the date on which a provisional assessment under section 141 or a regular assessment under section 143 or section 144, whichever is earlier, is made, the calculation being made with reference to the tax payable on the basis of the return after taking into consideration the tax already paid under the provisions of the aforesaid Chapters.

(4) Any sum paid by an assessee in accordance with the provisions of sub-section (1) otherwise than in pursuance of a provisional assessment made under section 141 or a regular assessment under section 143 or section 144, shall be treated as a payment of tax in respect of the relevant assessment year, and credit therefor shall be given to the assessee in the regular assessment.”.

10. In section 146 of the Income-tax Act, for the words and figures “in accordance with the provisions of section 143 or 144”, the words and figures “in accordance with the provisions of section 143 or section 144” shall be substituted. Amend.  
ment of  
section 146.

Amend-  
ment of  
section  
209.

11. In section 209 of the Income-tax Act, after clause (c) and before the *Explanation*, the following clause shall be inserted, namely :—

“(d) in cases where the Income-tax Officer makes an amended order referred to in sub-section (3) of section 210 on the basis of a provisional assessment, the total income on the basis of which the relevant provisional assessment had been made shall be substituted for the total income referred to in clause (a).”.

Amend-  
ment of  
section  
210.

12. In section 210 of the Income-tax Act, for sub-section (3), the following sub-section shall be substituted, namely :—

“(3) If, after the making of an order by the Income-tax Officer under this section and before the 15th day of February of the financial year, a regular assessment or a provisional assessment under section 141 of the assessee (or of the registered firm of which he is a partner) is made in respect of a previous year later than that referred to in the order of the Income-tax Officer, the Income-tax Officer may make an amended order requiring the assessee to pay in one instalment on the specified date, or in equal instalments on the specified dates, if more than one, falling after the date of the amended order, the advance tax computed on the basis of the total income determined for the purposes of the regular assessment or the provisional assessment aforesaid as reduced by the amount, if any, paid in accordance with the original order.”.

Amend-  
ment of  
section  
215.

13. In section 215 of the Income-tax Act, for sub-section (2), the following sub-section shall be substituted, namely :—

“(2) Where before the date of completion of a regular assessment, a provisional assessment is made under section 141 or tax is paid by the assessee otherwise than in pursuance of such a provisional assessment—

(i) interest shall be calculated in accordance with the foregoing provision up to the date on which the tax is paid either as provisionally assessed or otherwise; and

(ii) thereafter interest shall be calculated at the rate aforesaid on the amount by which the tax as so paid (in so far as it relates to income subject to advance tax) falls short, of the said seventy-five per cent.”.

Amend-  
ment of  
section 220.

14. In section 220 of the Income-tax Act, to sub-section (2), the following proviso shall be, and shall be deemed always to have been, added, namely :—

“Provided that, where as a result of an order under section 154, or section 155, or section 250, or section 254, or section 260,



or section 262, or section 264, the amount on which interest was payable under this section had been reduced, the interest shall be reduced accordingly and the excess interest paid, if any, shall be refunded.”.

15. In section 223 of the Income-tax Act, in sub-section (2), the words “in a district” shall be, and shall be deemed always to have been, omitted. Amendment of section 223.

16. In section 233 of the Income-tax Act, for the words and figures “assessment made under section 143 or 144”, the words and figures “assessment made under section 143 or section 144” shall be substituted. Amendment of section 233.

17. In section 271 of the Income-tax Act, in sub-section (1), in clause (a), the word “his” occurring before the words “total income” shall be omitted. Amendment of section 271.

18. In section 291 of the Income-tax Act, in sub-section (1), after the words “the evasion of payment of tax on income”, the words “it is necessary or expedient so to do” shall be inserted. Amendment of section 291.

19. In section 297 of the Income-tax Act, in sub-section (2), in clause (e), before the words, figures and letter “section 23A of the repealed Act”, the words, brackets and letters “subject to the provisions of clause (g) and clause (j) of this sub-section” shall be, and shall be deemed always to have been, inserted. Amendment of section 297.

20. In the Second Schedule to the Income-tax Act,—

(1) in Part I, after rule 19, the following rule shall be, and shall be deemed always to have been, inserted, namely:— Amendment of the Second Schedule.

“19A. A Tax Recovery Officer, being a Collector or an additional Collector, may, subject to the approval of the State Government, entrust any of his functions as Tax Recovery Officer to any other officer lower than him in rank who is empowered to effect recovery of arrears of land revenue or other public demand under any law relating to land revenue or other public demand for the time being in force in the State and such officer shall, in relation to functions so entrusted to him, be deemed to be a Tax Recovery Officer.”; Entrustment of certain functions by Collector or additional Collector.

(2) in rule 86, for sub-rule (1), the following sub-rule shall be, and shall be deemed always to have been, substituted, namely:—

“(1) An appeal from any original order passed by the Tax Recovery Officer under this Schedule, not being an order which is conclusive, shall lie—

(a) in the case of a Tax Recovery Officer, being a Collector or an additional Collector or an officer referred

to in sub-clause (iii) of clause (44) of section 2, to the revenue authority to which appeals ordinarily lie against the orders of a Collector under the law relating to land revenue of the State concerned; and

(b) in any other case, to the revenue authority to which an appeal or an application for revision would ordinarily lie, if the order passed by him were the order under the law relating to land revenue or other public demand for the time being in force in the State concerned."

Amend-  
ment of  
Act 27 of  
1957.

21. In section 5 of the Wealth-tax Act, 1957,—

(1) in sub-section (1)—

(a) clause (xv) shall be omitted;

(b) in clause (xvi), for the words "twelve year national plan savings certificates held by the assessee", the words "twelve year national plan savings certificates, ten year defence deposit certificates and twelve year national defence certificates held by the assessee, to the extent to which the amount of such certificates or deposits do not exceed in each case the maximum amount permitted to be invested or deposited therein" shall be substituted;

(2) to sub-section (3), the following proviso shall be added, namely:—

"Provided that for the purpose of making any assessment for the financial year commencing on the 1st day of April, 1963, the provisions of clause (b) shall not apply to ten year defence deposit certificates and twelve year national defence certificates held by the assessee on the relevant valuation date."

Amend-  
ment of  
Act 32 of  
1934.

22. In the Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act),—

(1) in section 2A,—

(i) in sub-section (1),—

(a) after the words "manufactured in India" occurring before the *Explanation*, the following shall be inserted, namely:—

"and if such excise duty on a like article is leviable at any percentage of its value, the customs duty to which the imported article shall be so liable

shall be calculated at that percentage of the value of the imported article.”;

(b) in the *Explanation*, for the words, “In this sub-section”, the words, brackets, figure and letter “In this sub-section and sub-section (1A)” shall be substituted;

(ii) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) For the purpose of calculating under this section the customs duty on any imported article equal to the excise duty for the time being leviable on a like article, if produced or manufactured in India, where such excise duty is leviable at any percentage of its value, the value of the imported article shall, notwithstanding anything contained in section 14 of the Customs Act, 1962 be the aggregate of—

52 of 1962.

(i) the value of the imported article determined under sub-section (1) of the said section 14 or the tariff value of such article fixed under sub-section (2) of that section, as the case may be;

52 of 1962.

(ii) any duty of customs chargeable on that article under section 12 of the Customs Act, 1962 other than the duty referred to in sub-section (1); and

(iii) any sum chargeable on that article under any law for the time being in force as an addition to, and in the same manner as, a duty of customs.”;

(2) the First Schedule shall be amended in the manner specified in the Second Schedule to this Act.

23. (1) In the case of goods chargeable with a duty of customs which is specified in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, or in that Schedule read with any notification of the Central Government for the time being in force, there shall be levied and collected as an addition to, and in the same manner as, the total amount so chargeable, a sum equal to 10 per cent. of such amount: Surcharge on duties of customs

Provided that in computing the total amount so chargeable, any duty chargeable under section 2A of the Tariff Act or section 24 of this Act shall not be included.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1964 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 shall

apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

Regulatory  
duty of  
customs.

24. (1) There shall be levied and collected, with effect from such date as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all goods mentioned in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of customs which shall be—

(a) twenty-five per cent. of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A or sub-section (1) of section 4 of the Tariff Act; or

(b) ten per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962,

52 of 1962.

whichever is higher:

Provided that different dates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1964 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

10 of 1897.

(3) The duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable on such goods under the Customs Act, 1962.

52 of 1962.

(4) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations.

52 of 1962.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

Amend-  
ment of  
Act 1 of  
1949.

25. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1963", the figures "1964" shall be substituted.

26. In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), in the First Schedule,—

Amendment of  
Act 1 of  
1944.

(a) in Item No. 4,—

(1) under “I. *Unmanufactured tobacco*—”—

for the entry in the third column against sub-item (5), the entry “One rupee and sixty naye paise” shall be substituted;

(2) under “II. *Manufactured tobacco*—”—

for the entries in the third column against sub-items (2) (i), (2) (ii), (2) (iii), (2) (iv) and (2) (v), the entries “Thirty-four rupees”, “Seventeen rupees”, “Eight rupees and fifty naye paise”, “Four rupees and twenty naye paise” and “Two rupees” shall, respectively, be substituted;

(b) in Item No. 6, for the entry in the third column, the entry “Four hundred and ten rupees per kilolitre at fifteen degrees of Centigrade thermometer” shall be substituted;

(c) in Item No. 7, for the entry in the third column, the entry “Two hundred and ten rupees per kilolitre at fifteen degrees of Centigrade thermometer” shall be substituted;

(d) in Item No. 8, for the entries in the third column against sub-items (a) and (b), the entries “Three hundred and ninety rupees per kilolitre at fifteen degrees of Centigrade thermometer” and “Three hundred and seventy rupees per kilolitre at fifteen degrees of Centigrade thermometer” shall, respectively, be substituted;

(e) in Item No. 9, for the entry in the third column, the entry “One hundred and ninety-five rupees per metric tonne” shall be substituted;

(f) in Item No. 13, for the entry in the third column, the entry “Thirty-two rupees per quintal” shall be substituted;

(g) in Item No. 14,—

(1) in sub-item I (4) (ii), the words “and ready mixed paints, sold by weight” occurring in the second column shall be omitted;

(2) in sub-item I (4) (iii), the words “sold by volume” occurring in the second column shall be omitted;

(3) for the entries in the third column against sub-items I (1) (ii), I (3) (ii), I (3) (iv), I (4) (i), I (4) (ii), I (4) (iii), II (i) and III (i), the entries “Seventy-five naye paise per kilogram”, “Thirty rupees and fifty naye paise per quintal”,

"One rupee and five naye paise per litre", "Seventy-five naye paise per kilogram", "Nineteen rupees and fifty naye paise per quintal", "Sixty-five naye paise per litre", "Thirty-five naye paise per litre" and "One rupee and fifty naye paise per litre" shall, respectively, be substituted;

(h) in Item No. 15, for the entries in the third column against sub-items I(1) (i), I(1) (ii), I(2), I(3), II(i) and II(ii), the entries "Fifteen rupees and fifty naye paise per quintal", "Eighteen rupees per quintal", "Thirty-seven rupees and fifty-five naye paise per quintal", "Thirty-seven rupees and fifty-five naye paise per quintal", "Thirteen rupees and twenty-five naye paise per quintal" and "Fifteen rupees and fifty naye paise per quintal" shall, respectively, be substituted;

(i) in Item No. 17, for the entry in the third column against sub-item (5), the entry "Thirty-five naye paise per kilogram" shall be substituted;

(j) in Item No. 26A, for the entries in the third column against sub-items (1) and (2), the entries "Three hundred rupees per metric tonne" and "Five hundred rupees per metric tonne" shall, respectively, be substituted;

(k) in Item No. 26AA, sub-item (i) shall be renumbered as (ia) thereof and before the sub-item (ia) as so renumbered, the following sub-item shall be inserted, namely :—

<p>"(i) Semi-finished steel including blooms, billets, slabs, sheet bars, tin bars and hoe bars.</p>	<p>Thirty rupees per metric tonne <i>plus</i> the excise duty for the time being leviable on steel ingots."</p>
--	---

Special  
duty of  
excise on  
certain  
goods.

27. (1) When goods of the description mentioned in this section chargeable with a duty of excise under the First Schedule to the Central Excises Act, as amended by this Act or any subsequent Act of Parliament or under that Schedule read with any notification of the Central Government for the time being in force, are assessed to duty, there shall be levied and collected—

(a) as respects goods comprised in Items Nos. 6, 8, 9, 14D, 17(3), 22A, 23A except sub-item (1) thereof, 23B, 28, 29, 31 except sub-item (1) thereof and 32 of that Schedule, a special duty of excise equal to 10 per cent. of the total amount so chargeable on such goods;

(b) as respects goods comprised in Items Nos. 2, 3(1), sub-items I, II(2) and II(3) of Item No. 4, Items Nos. 13, 14, 14F, 15, 15A, 15B, 16, 16A, 17 except sub-item (3) thereof, 18A(2), 21, 22, 23, 23A(1), 27, 30, 31(1), 33, sub-items (1) and (4) of Item No. 34 and Item No. 37 of that Schedule, a special duty of excise equal to 20 per cent. of the total amount so chargeable on such goods; and

(c) as respects goods comprised in Items Nos. 4 II(1), 18, 18A(1), 18B, 20, 29A, 33A, sub-items (2) and (3) of Item No. 34 and radiograms comprised in Item No. 37A of that Schedule, a special duty of excise equal to 33 1/3 per cent. of the total amount so chargeable on such goods.

10 of 1897.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1964 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such special duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

28. (1) There shall be levied and collected, with effect from such date as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all goods mentioned in the First Schedule to the Central Excises Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of excise which shall be ten per cent. of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act:

Regulatory  
duty of  
excise.

Provided that different dates may be specified by the Central Government for different kinds of goods.

10 of 1897.

(3) The duties of excise referred to in sub-section (1) in respect of March, 1964, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

Disconti-  
nuance of  
salt duty.

29. For the year beginning on the first day of April, 1963, no duty under the Central Excises Act, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

Amend-  
ment of  
Act 16 of  
1955.

30. In the Schedule to the Medicinal and Toilet Preparations (Excise Duties) Act, 1955,—

(a) in Item No. 1, in the column relating to "Rate of duty", for the words "Ten per cent. *ad valorem*", the words "Rupee one and ten naye paise per litre of the strength of London proof spirit or ten per cent. *ad valorem*, whichever is higher." shall be substituted;

(b) in Item No. 2—

(1) in the column relating to "Description of dutiable goods", the words "which are prepared by distillation or to which alcohol has been added, and" shall be omitted;

(2) in the column relating to "Rate of duty", the words "or ten per cent. *ad valorem*, whichever is higher" shall be inserted at the end;

(c) in Item No. 3, after sub-item (ii), the following item shall be inserted, namely:—

"(iii) Ayurvedic preparations, containing alcohol, which are prepared by distillation or to which alcohol has been added, and which are capable of being consumed as ordinary alcoholic beverages. Rupees fifteen and fifty naye paise per litre of the strength of London proof spirit.";

(d) in Item No. 6, in the column relating to "Rate of duty", for the words "Twenty-five per cent. *ad valorem*", the words "Rupees three and eighty-five naye paise per litre of the strength of London proof spirit or twenty-five per cent. *ad valorem*, whichever is higher" shall be substituted.



31. For the First Schedule to the Indian Post Office Act, 1898, the following Schedule shall be substituted, namely:—

Amend-  
ment of  
Act 6 of  
1898.

### “THE FIRST SCHEDULE

#### INLAND POSTAGE RATES

(See section 7)

##### *Letters*

For a weight not exceeding fifteen grams . . . . . 15 naye paise.

For every fifteen grams, or fraction thereof, exceeding fifteen grams 10 naye paise.

##### *Letter-cards*

For a letter-card . . . . . 10 naye paise.

##### *Post cards*

Single . . . . . 6 naye paise.

Reply . . . . . 12 naye paise.

##### *Books, Pattern and Sample packets*

For the first fifty grams or fraction thereof . . . . . 10 naye paise.

For every additional twenty-five grams, or fraction thereof, in excess of fifty grams . . . . . 5 naye paise.

##### *Registered Newspapers*

For a weight not exceeding one hundred grams . . . . . 2 naye paise.

For a weight exceeding one hundred grams and not exceeding two hundred grams . . . . . 3 naye paise.

For every two hundred grams, or fraction thereof, exceeding two hundred grams . . . . . 3 naye paise.

In the case of more than one copy of the same issue of a registered newspaper being carried in the same packet—

for a weight not exceeding one hundred grams . . . . . 3 naye paise.

for every additional fifty grams, or fraction thereof, in excess of one hundred grams . . . . . 2 naye paise.

Provided that such packet shall not be delivered at any addressee's residence but shall be given to a recognised agent at the Post Office.

##### *Parcels*

For a weight not exceeding four hundred grams . . . . . 60 naye paise.

For every four hundred grams, or fraction thereof, exceeding four hundred grams . . . . . 60 naye paise.

## THE FIRST SCHEDULE

(See section 2)

## PART I

*Income-tax and surcharges on income-tax**Paragraph A*

(i) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case—

*Rates of Income-tax*

	Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener.	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener.	
	Rs.	Rs.	Rs.	
(1) On the first	3,000 of total income	3,300 of total income	3,600 of total income	<i>Nil</i>
(2) On the next	2,000 „	1,700 „	1,400 „	3%
(3) On the next	2,500 „	2,500 „	2,500 „	7%
(4) On the next	2,500 „	2,500 „	2,500 „	10%
(5) On the next	2,500 „	2,500 „	2,500 „	12%
(6) On the next	2,500 „	2,500 „	2,500 „	15%
(7) On the next	2,500 „	2,500 „	2,500 „	20%
(8) On the next	2,500 „	2,500 „	2,500 „	23%

(ii) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies :—

	Rs.	
(1) On the first	1,000 of total income	<i>Nil</i>
(2) On the next	4,000 „	3%
(3) On the next	2,500 „	7%
(4) On the next	2,500 „	10%
(5) On the next	2,500 „	12%
(6) On the next	2,500 „	15%
(7) On the next	2,500 „	20%
(8) On the next	2,500 „	23%
(9) On the balance of total income		24%

Provided that for the purposes of this Paragraph—

(i) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit;

(iii) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(a) the income-tax which would have been payable if the total income had been Rs. 20,000;

(b) half the amount by which the total income exceeds Rs. 20,000;

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely :—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,000 in every other case.

#### *Surcharges on income-tax*

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(a) a surcharge for purposes of the Union equal to the sum of—

(i) two and a half per cent. of the amount of income-tax calculated at the average rate of income-tax on the income under the head "Salaries" included in the total income:

(ii) five per cent. of the amount of income-tax calculated at the average rate of income-tax on the total income as reduced by the income under the head "Salaries" included therein; and

(iii) where the earned income included in the total income exceeds Rs. 1,00,000, ten per cent of the difference

between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000;

(b) a special surcharge at fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income:

Provided that the surcharge for purposes of the Union and the special surcharge, both together, shall not exceed half the amount by which the total income as reduced by the amount of income-tax payable by the assessee exceeds the limit specified below:—

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely :—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,000 in every other case;

(c) an additional surcharge for purposes of the Union calculated on the amount of the residual income at the following rates, namely:—

(i) On the first Rs. 6,000 of the residual income	.	.	4%
(ii) On the next Rs. 9,000 of the residual income	.	.	6%
(iii) On the next Rs. 12,000 of the residual income	.	.	8%
(iv) On the next Rs. 15,000 of the residual income	.	.	9%
(v) On the balance of the residual income	.	.	10%:

Provided that—

(i) no additional surcharge shall be levied where the residual income does not exceed the limit specified below;

(ii) the additional surcharge shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at three per cent. on so much of the amount of residual income as does not exceed the limit specified below;

(b) one-half of the amount by which the residual income exceeds the limit specified below.

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,600 in the case of every individual who has more than one child wholly or mainly dependent on him or in the case of every Hindu undivided family having more than one minor coparcener;

(iii) Rs. 3,300 in the case of every individual who has one child wholly or mainly dependent on him or in the case of every Hindu undivided family having one minor coparcener;

(iv) Rs. 3,000 in every other case.

*Explanation.*—For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father or grandfather notwithstanding any custom to the contrary.

#### *Paragraph B*

In the case of every local authority,—

#### *Rate of income-tax*

On the whole of the total income .. 30%

#### *Surcharge on income-tax*

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of five per cent. of the amount of income-tax.

*Paragraph C*

In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

*Rate of income-tax*

On the whole of the total income ... 25%

*Surcharges on income-tax*

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(a) a surcharge of purposes of the Union of five per cent. of the amount of income-tax;

(b) a special surcharge of fifteen per cent. of the amount of income-tax; and

(c) an additional surcharge for purposes of the Union calculated on the amount of the residual income at the rates as specified in Paragraph A of this Part.

*Paragraph D*

In the case of every company,—

*Rate of income-tax*

On the whole of the total income ... 25%

*Paragraph E*

In the case of every registered firm,—

*Rates of income-tax*

	Where the firm has four or less partners as on the last day of the previous year	Where the firm has five or more partners
(1) On the first Rs. 25,000 of total income	<i>Nil</i>	<i>Nil</i>
(2) On the next Rs. 15,000 of total income	5%	7%
(3) On the next Rs. 20,000 of total income	6%	8%
(4) On the next Rs. 40,000 of total income	7%	9%
(5) On the next Rs. 50,000 of total income	8%	10%
(6) On the balance of total income	10%	12%

*Surcharge on income-tax*

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union equal to the sum of—

(i) twenty per cent. of the amount of income-tax payable by the firm on its income from any business carried on by it calculated at the rate of income-tax applicable to its total income; and

(ii) ten per cent. of the amount of income-tax payable by it on its income from all sources other than from any business carried on by it calculated at the rate of income-tax applicable to its total income.

## PART II

*Super-tax and surcharges on super-tax**Paragraph A*

In the case of every individual, Hindu undivided family, unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

*Rates of super-tax*

(1) On the first Rs. 20,000 of total income	Nil
(2) On the next Rs. 5,000 of total income	8%
(3) On the next Rs. 5,000 of total income	18%
(4) On the next Rs. 10,000 of total income	22%
(5) On the next Rs. 10,000 of total income	32%
(6) On the next Rs. 10,000 of total income	40%
(7) On the next Rs. 10,000 of total income	45%
(8) On the balance of total income	47·5%

*Surcharges on super-tax*

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under :—

(a) A surcharge for purposes of the Union equal to the sum of—

(i) two and a half per cent. of the amount of super-tax calculated at the average rate of super-tax on the income under the head "Salaries" included in the total income;

(ii) five per cent. of the amount of super-tax calculated at the average rate of super-tax on the total income as reduced by the income under the head "Salaries" included therein; and

(iii) where the earned income included in the total income exceeds Rs. 1,00,000, ten per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000;

(b) A special surcharge at fifteen per cent. of the difference between the amount of super-tax on the total income and the

amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income.

*Paragraph B*

In the case of every local authority,—

*Rate of super-tax*

On the whole of the total income 16%

*Surcharge on super-tax*

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

*Paragraph C*

In the case of every association of persons being a co-operative society as defined in clause (19) of section 2 of the Income-tax Act,—

*Rates of super-tax*

- |   |    |     |
|---|----|-----|
| (1) On the first Rs. 25,000 of total income | .. | Nil |
| (2) On the balance of total income          | .. | 16% |

*Surcharge on super-tax*

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

*Paragraph D*

In the case of every company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—

31 of 1956.

*Rates of super-tax*

On the whole of the total income .. 55%:

Provided that—

(i) a rebate at the rate of 50 per cent. on so much of the total income as consists of dividends from any Indian company; and at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1963, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits in accordance with the provisions of section 194 of that Act; and



(b) is such a company as is referred to in section 108 of the Income-tax Act with a total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of 50 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company formed and registered before the 1st day of April, 1961; at the rate of 45 per cent. on so much of the total income as consists of dividends from any other Indian company; and at the rate of 30 per cent. on the balance of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b) of the preceding clause;

(iii) a rebate at the rate of 50 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company formed and registered before the 1st day of April, 1961; at the rate of 30 per cent. on so much of the total income as consists of dividends from an Indian company, not being a subsidiary company, formed and registered before the 1st day of April, 1959; at the rate of 45 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; at the rate of 30 per cent. on so much of the total income as consists of royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government; and at the rate of 17 per cent. on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses:

Provided further that—

(i) the amount of the rebate under clause (i) or clause (ii) of the preceding proviso shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

- (a) on the aggregate of the sums computed in the manner provided in clause (i) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance (No. 2) Act, 1962 as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (ii) of the said proviso, for the purpose of reducing the rebate mentioned in clause (i) of the said proviso to nil; and at the rate of 100%.
- (b) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital; at the rate of 12½%

(ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (i) or clause (ii), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (a) and (b) of clause (i) of this proviso as is sufficient, in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose:

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand, shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand; and

(b) half the amount by which its total income exceeds rupees twenty-five thousand.

*Explanation I.*—For the purposes of this Paragraph, where any portion of the profits and gains of a company is not included in its total income by reason of such portion being agricultural income, the amount representing the face value of any bonus shares and the amount of any bonus issued to its shareholders shall each be deemed to be such proportion thereof as the average of the total income of the company in the five previous years in which the company has been in receipt of taxable income immediately preceding the relevant previous year bears to the average of its total profits and gains (excluding capital receipts) for the preceding five years aforesaid, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss accounts for the preceding five years aforesaid.

*Explanation II.*—For the purposes of this Paragraph and Part III of the Schedule, a company shall be deemed to be a subsidiary of another company if that other company holds more than half in nominal value of the equity share capital of the first mentioned company.

#### *Paragraph E*

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—

31 of 1956.

#### *Rate of super-tax*

On the whole of its profits and gains from life insurance business

22.5%

## PART III

*Rates for deduction of tax at source in certain cases*

In every case in which under the provisions of sub-section (2) of section 192 and sections 193 to 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction at the following rates:—

	Income-tax			Super-tax	
	Rate of income-tax	Rates of surcharges		Rate of super-tax	Rates of surcharges
		Surcharge for purposes of the Union	Special surcharge		

1. In the case of a person other than a company—

- (a) in every case, on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government), and

25 %

1.25%

3.75%

- (b) in addition, where the person is non-resident in India, on the whole income.

Super-tax and surcharges on super-tax in accordance with the provisions of clause (b) of sub-section (1) of section 113 of the Income-tax Act

	Rate of income-tax	Rate of super-tax
--	--------------------	-------------------

2. In the case of a company—

(a) in every case—

- (i) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government); and

25%

- (ii) on the whole income (excluding dividends payable by an Indian company referred to in clause (iv) of sub-section (1) of section 99 of the Income-tax Act); and

5%

	Rate of income- tax	Rate of super- tax
(b) in addition, where the company is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
(i) on the income from dividends (excluding dividends payable by an Indian company referred to in clause (iv) of sub-section (1) of section 99 of the Income-tax Act)—		
(1) on dividends payable by any of its subsidiary Indian companies formed and registered before the 1st day of April, 1961 . . . . .		Nil
(2) on dividends payable by an Indian company, not being a subsidiary company, formed and registered before the 1st day of April, 1959 . . . . .		20%
(3) on dividends payable by any other Indian company formed and registered on or after the 1st day of April, 1959 . . . . .		5%
(ii) on the income from royalties payable by an Indian concern in pursuance of an agreement which is made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government . . . . .		20%
(iii) on any other income . . . . .		33%

## THE SECOND SCHEDULE

[See section 22(2)]

In the First Schedule to the Tariff Act,—

(i) in Item No. 24, for the entry in the fourth column, the entry “Rs. 60·00 per kilogram” shall be substituted;

(ii) in Item No. 24(3), for the entry in the fourth column and the entry in the sixth column, the entry “Rs. 50·00 per kilogram” shall be substituted;

(iii) in Item No. 28A, for the entry in the second column, the following entry shall be substituted, namely:—

“Patent or proprietary medicines not containing alcohol, opium, Indian hemp or other narcotic drugs or other narcotics other than those medicines which are exclusively Ayurvedic, Unani, Sidha or Homoeopathic.

**Explanation.**—‘Patent or proprietary medicines’ means any drug or medicinal preparation, in whatever form, for use in the internal or external treatment of, or for the prevention of ailments in, human beings or animals, which bears either on itself or on its container or both, a name

which is not specified in a monograph in a Pharmacopoeia, Formulary or other publications notified in this behalf by the Central Government in the Official Gazette, or which is a brand name, that is, a name or a registered trade mark under the Trade and Merchandise Marks Act, 1958 (43 of 1958), or any other mark such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to that medicine for the purpose of indicating or so as to indicate a connection in the course of trade between the medicine and some person having the right either as proprietor or otherwise to use the name or mark with or without any indication of the identity of that person.”;

(iv) in Item No. 29, for the entry in the fourth column, the entry “Rs. 12·00 per 100 linear metres” shall be substituted;

(v) in Items Nos. 30, 73, 73(1), 77 and 77(5), for the entries against each of them in the fourth and fifth columns, the entries “60 per cent. *ad valorem*” and “50 per cent. *ad valorem*” shall, respectively, be substituted;

(vi) in Item No. 30(1), for the entries in the fourth column against sub-items (a), (b) (i) and (b) (ii), the entry “50 per cent *ad valorem*” shall be substituted;

(vii) in Item No. 39, for the entry in the fourth column, the entry “20 per cent. *ad valorem*” shall be substituted;

(viii) in Items Nos. 63(1), 63(20A) and 63(35), for the entry against each of them in the fourth column, the entry “30 per cent. *ad valorem*” shall be substituted;

(ix) in Item No. 63(2),—

(1) for the entry in the fourth column against sub-item

(a) (i), the following entry shall be substituted, namely:—

“Rs. 22·00 per tonne or 10 per cent. *ad valorem*, whichever is higher, plus 5 per cent. *ad valorem*”;

(2) for the entry in the fourth column against sub-item

(a) (ii), the following entry shall be substituted, namely:—

“Rs. 64·00 per tonne plus 5 per cent. *ad valorem*”;

(3) for the entry in the fourth column against sub-item

(b), the following entry shall be substituted, namely:—

“Rs. 60·00 per tonne plus 5 per cent. *ad valorem*”;

(x) in Item No. 63(3),—

(1) for the entry in the fourth column against sub-item (i), the following entry shall be substituted, namely:—

“Rs. 31·00 per tonne or 10 per cent. *ad valorem*, whichever is higher, *plus* 5 per cent. *ad valorem*”;

(2) for the entry in the fourth column against sub-item (ii), the following entry shall be substituted, namely:—

“Rs. 60·00 per tonne or 20 per cent. *ad valorem*, whichever is higher, *plus* 5 per cent. *ad valorem*”;

(xi) in Item No. 63(9), for the entry in the fourth column the following entry shall be substituted, namely:—

“Rs. 60·00 per tonne *plus* 10 per cent. *ad valorem*”;

(xii) in Item No. 63(10),—

(1) for the entry in the fourth column against sub-item (i), the entry “Rs. 80·00 per tonne *plus* 5 per cent. *ad valorem*” shall be substituted;

(2) for the entry in the fourth column against sub-item (ii), the entry “Rs. 100·00 per tonne *plus* 5 per cent. *ad valorem*” shall be substituted;

(xiii) in Item No. 63(12), in the entry in the second column, for the words “Iron or steel bolts and nuts”, the words “Iron or steel bolts and nuts, not otherwise specified,” shall be substituted;

(xiv) in Item No. 63(14A), for the figures “50” and “40” in the fourth and fifth columns, the figures “55” and “45” shall, respectively, be substituted;

(xv) in Item No. 63(17), for the words and figure “*plus* 5 per cent. *ad valorem*” in the entry against each of the sub-items (i) and (ii) in the fourth column, the words and figures “*plus* 10 per cent. *ad valorem*” shall be substituted;

(xvi) in Item No. 63(18), for the figures “20” and “40” in the fourth column against sub-items (a) and (b), the figures “25” and “45” shall, respectively, be substituted;

(xvii) in Item No. 63(19),—

(1) for the entry in the fourth column against sub-item (a)(i), the following entry shall be substituted, namely:—

“Rs. 15·00 per tonne or 10 per cent. *ad valorem*, whichever is higher, *plus* 5 per cent. *ad valorem*”;

(2) for the entry in the fourth column against sub-item (a)(ii), the following entry shall be substituted, namely:—

“Rs. 40·00 per tonne *plus* 5 per cent. *ad valorem*”;

(3) for the entry in the fourth column against sub-item (b), the following entry shall be substituted, namely:—

“Rs. 60·00 per tonne *plus* 5 per cent. *ad valorem*”;

(xviii) in Item No. 63 (20),—

(1) for the entry in the fourth column against sub-item (a)(1)(i), the following entry shall be substituted, namely:—

“Rs. 29·00 per tonne or 10 per cent. *ad valorem*, whichever is higher, *plus* 5 per cent. *ad valorem*”;

(2) for the entry in the fourth column against sub-item (a)(1)(ii), the following entry shall be substituted, namely:—

“Rs. 50·00 per tonne *plus* 5 per cent. *ad valorem*”;

(3) for the entry in the fourth column against sub-item (a)(2)(i), the following entry shall be substituted, namely:—

“Rs. 30·00 per tonne or 10 per cent. *ad valorem*, whichever is higher, *plus* 5 per cent. *ad valorem*”;

(4) for the entry in the fourth column against sub-item (a)(2)(ii), the following entry shall be substituted, namely:—

“Rs. 60·00 per tonne *plus* 5 per cent. *ad valorem*”;

(5) for the entry in the fourth column against sub-item (b)(1)(i), the following entry shall be substituted, namely:—

“Rs. 32·00 per tonne or 10 per cent. *ad valorem*, whichever is higher, *plus* 5 per cent. *ad valorem*”;

(6) for the entry in the fourth column against sub-item (b)(1)(ii), the following entry shall be substituted, namely:—

“Rs. 55·00 per tonne *plus* 5 per cent. *ad valorem*”;

(7) for the entry in the fourth column against sub-item (b)(2)(i), the following entry shall be substituted, namely:—

“Rs. 32·00 per tonne or 10 per cent. *ad valorem*, whichever is higher, *plus* 5 per cent. *ad valorem*”;

(8) for the entry in the fourth column against sub-item (b)(2)(ii), the following entry shall be substituted, namely:—

“Rs. 64·00 per tonne *plus* 5 per cent. *ad valorem*”;

(xix) in Item No. 63(21)A,—

(1) for the entry in the fourth column against sub-item

(a) (i), the following entry shall be substituted, namely:—

“Rs. 10·00 per tonne or 15 per cent. *ad valorem*, whichever is higher”;

(2) for the entry in the fourth column against sub-item

(a) (ii), the following entry shall be substituted, namely:—

“Rs. 10·00 per tonne or 25 per cent. *ad valorem*, whichever is higher”;

(3) for the entry in the fourth column against sub-item

(b)(i), the following entry shall be substituted, namely:—

“Rs. 31·00 per tonne or 10 per cent. *ad valorem*, whichever is higher”;

(4) for the entry in the fourth column against sub-item

(b)(ii), the following entry shall be substituted, namely:—

“Rs. 60·00 per tonne *plus* 5 per cent. *ad valorem*”;

(xx) in Item No. 63(24), for the figures “55” and “45” in the fourth and fifth columns, the figures “60” and “50” shall, respectively, be substituted;

(xxi) in Item No. 63(25),—

(1) for the entry in the fourth column against sub-item

(i), the following entry shall be substituted, namely:—

“30 per cent. *ad valorem*.”;

(2) for the entry in the fourth column against sub-item

(ii), the following entry shall be substituted, namely:—

“30 per cent. *ad valorem plus* Rs. 35·00 per tonne”;

(xxii) in Item No. 63(28), for the figures “55” in the fourth column, the figures “60” shall be substituted;

(xxiii) in Item No. 63(31),—

(1) for the entry in the fourth column against sub-item

(a), the following entry shall be substituted, namely:—

“Rs. 29·00 per tonne or 10 per cent. *ad valorem*, whichever is higher, *plus* 5 per cent. *ad valorem*”;

(2) for the entry in the fourth column against sub-item

(b), the following entry shall be substituted, namely:—

“Rs. 50·00 per tonne *plus* 5 per cent. *ad valorem*”;



(xxiv) in Item No. 63(32),—

(1) for the entry in the fourth column against sub-item (a), the following entry shall be substituted, namely:—

“Rs. 50·00 per tonne *plus* 5 per cent. *ad valorem*”;

(2) for the entry in the fourth column against sub-item (b), the following entry shall be substituted, namely:—

“Rs. 84·00 per tonne *plus* 5 per cent. *ad valorem*”;

(xxv) in Item No. 71,—

(1) for the entry in the fourth column against sub-item (a), the following entry shall be substituted, namely:—

“60 per cent. *ad valorem*”;

(2) for the entry in the fourth column against sub-item (b), the following entry shall be substituted, namely:—

“100 per cent. *ad valorem*”;

(xxvi) in Items Nos. 72, 72(1), 72(2) and 72(3), for the entry against each of them in the fourth column, the entry “20 per cent. *ad valorem*” shall be substituted;

(xxvii) in Item No. 75, for the figures “35” in the fourth column, the figures “50” shall be substituted;

(xxviii) in Items Nos. 75(11) and 75(12), for the figures “25” against each of them in the fourth column, the figures “50” shall be substituted; and

(xxix) in Item No. 87, for the figures “50” in the fourth column, the figures “60” shall be substituted.

R. C. S. SARKAR,  
*Secy. to the Govt. of India.*

